

Message Text

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21

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 TRSE-00 /067 W

----- 127048

R 222138Z APR 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 3017

C O N F I D E N T I A L SANTIAGO 2859

EO 11652: GDS

TAGS: PINT, ELAB, CI

SUBJ: BAKERY OWNERS LEADERS JAILED

FOR ARA/LA/MRSD

REF: SANTIAGO 2823

1. SUMMARY: TWO MAJOR LEADERS OF BAKERY OWNERS TRADE ASSOCIATION (FABRIAN) WERE ARRESTED FOR VIOLATION OF LABOR DECREE. PRESS ACCOUNTS SAY TWO HAD SENT LETTERS ANNOUNCING THAT FABRIAN MEMBER-OWNERS WOULD NOT PAY OVERTIME PAYMENTS AFTER PRODUCTION NORMS WERE ACHIEVED. LABOR MINISTER CLAIMED IN APRIL 21 PRESS CONFERENCE THAT TWO HAD VIOLATED GOVERNMENT DECREE AND THAT ACTION SHOULD SERVE AS WARNING TO THOSE EMPLOYERS AND WORKERS WHO DO NOT COMPLY WITH LAWS. HIS STRONG CASTIGATION OF EMPLOYERS ECHOED LINE TAKEN LAST WEEK BY JUNTA MEMBER GENERAL LEIGHT (REFTEL).
2. LEIGH-DIAZ LINE ALONG WITH ARREST PROBABLY HAS ELEMENT OF WINDOW DRESSING FOR CHILEAN LABOR, BUT NONETHELESS SHOWS INCREASED GOC IMPATIENCE WITH NUMEROUS ABUSES BY NATION'S EMPLOYERS WHO REFUSE TO ACCEPT JUNTA CONCEPT OF SOCIAL RESPONSIBILITY. END SUMMARY.

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3. SANTIAGO PAPERS APRIL 22 WIDELY REPORTED GOC ANNOUNCE-

MENT OF ARREST OF PRESIDENT AND GENSECY OF BAKERY OWNERS TRADE ASSOCIATION (FABRIPAN) FOR "VIOLATION OF THE LABOR LAWS." ACCORDING TO MOST REPORTS FABRIPAN (AN ORGANIZATION OF APPROXIMATELY 200 SMALL BAKERY OWNERS) LEADERS VIOLATED GOC DECREE WHICH REQUIRES PAYMENT OF OVERTIME TO BAKERS WHO HAVE COMPLETED LONG ESTABLISHED PRODUCTION NORMS. (PRIOR TO SEPTEMBER 1973 BAKERS' COLLECTIVE CONTRACTS ALLOWED WORKERS TO DEPART WORK AFTER PREPARING DAUGH USING 200 POUNDS OF FLOUR. SHORTLY AFTER SEPTEMBER 1973 A DECREE CONFIRMED THESE NORMS BUT, IN ORDER TO STIMULATE PRODUCTION, ORDERED EMPLOYERS TO PAY OVERTIME FOR ADDITIONAL WORK.) REPORTS INDICATE ARRESTED LEADERS HAD WRITTEN LETTERS TO UNIONS REPRESENTING WORKERS OF FABRIPAN AFFILIATES, ANNOUNCING THAT PREMIUM TIME WOULD NOT BE PAID. ARRESTS WERE MADE UNDER PROVISIONS OF STATE OF SIEGE.

4. DURING APRIL 21 PRESS CONFERENCE, LABOR MINISTER GENERAL NICANOR DIAZ REITERATED SAME STRONG LINE CASTIGATING ERRANT EMPLOYERS THAT JUNTA MEMBER GENERAL LEIGHT HAS VOICED IN RECENT APPEARANCES. DIAZ SAID THAT "THE MILITARY DID NOT COME (TO POWER) TO INSPIRE INJUSTICE OR TO SHELTER EXPLOITATIONS." HE WARNED THAT THE ARRESTS "SHOULD SERVE AS AN EXAMPLE TO OTHER EMPLOYERS AND WORKERS WHO ARE NOT DISPOSED TO COMPLY WITH THE LAW."

5. DURING SAME PRESS CONFERENCE UNDER SECY LABOR RIVALTA ANNOUNCED THAT LABOR MINISTRY INSPECTORS IN PAST WEEK HAD MADE 606 INVESTIGATIONS IN RETAIL SALES ESTABLISHMENTS AND HAD FOUND THAT "MORE THAN 50 PERCENT" REVEALED VIOLATIONS OF THE LAWS (COVERING HOURS OF WORK AND PAY FOR RETAIL ESTABLISHMENTS). NEWS REPORTS DO NOT MENTION CORRECTIVE MEASURES TAKEN AS RESULT OF THESE INVESTIGATIONS.

6. COMMENT: AS FAR AS WE ARE AWARE, THESE ARRESTS ARE SECOND SUCH INCIDENT UNDER THE JUNTA. FIRST WAS ARREST OF TWO BUS OWNERS FEW MONTHS AGO FOR MINOR VIOLATION OF THE LABOR CODES; THEY WERE RELEASED WITHIN SIX HOURS AND FINED RELATIVELY MODEST AMOUNTS. TWO ISOLATED EMPLOYER ARRESTS OCCURRING DURING A PERIOD OF MORE THAN 18 MONTHS ARE CONFIDENTIAL

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NOT FIRM EVIDENCE OF A HARD LINE ON CHILE'S EMPLOYERS. LABOR LEADERS WILL PROBABLY CLAIM THE LATEST EVENT IS PART OF GOC'S ANNUAL LABOR DAY SHOW. SEVERAL APTLY POINTED OUT ON THE FIRST OCCASION THAT GOVERNMENT CREATED HEADLINES WITH THE ARREST OF PETTY THIEVES WHILE THE MAJOR VIOLATORS WERE UNTOUCHED. FOLLOWING ON INCREASINGLY STRONG PUBLIC WARNINGS OF GENERAL LEIGHT, HOWEVER, ARRESTS AND DIAZ' STRONG WORDS SIGNAL THAT MILITARY IMPATIENCE WITH THEIR

MAJOR BASE OF SUPPORT COULD RESULT IN MORE SANCTIONS AGAINST
SOME AT LEAST OF CONSIDERABLE NUMBER OF CHILEAN EMPLOYERS
WHO REFUSE TO ACCEPT THE JUNTA'S CONCEPT OF THEIR SOCIAL
RESPONSIBILITY.
POPPER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, LABOR LAW, LABOR DISPUTES, BUSINESS ASSOCIATIONS, ARRESTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTIA02859
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750141-0857
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750428/aaaabaef.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 SANTIAGO 2823
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by BoyleJA>; APPROVED <14 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BAKERY OWNERS LEADERS JAILED FOR ARA/LA/MRSD
TAGS: PINT, ELAB, EIND, CI, FABRIPAN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006